

UTILITY FUNDS

Wastewater Fund

FY 2013 Adopted Budget - City of Fairfax, Virginia

**City of Fairfax, Virginia
FY 2013 Wastewater Fund
Budget Summary**

	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Revenues				
Operating Revenues				
Residential Sales	\$1,578,445	\$1,707,800	\$1,653,000	\$1,818,300
Commercial Sales	2,043,075	2,239,200	2,200,000	2,420,000
Subtotal Operating Revenues	3,621,520	3,947,000	3,853,000	4,238,300
Availability Charges	497,384	173,900	450,000	300,000
Other Revenues				
Interest	14,013	25,000	15,000	15,000
Interfund Transfer	0	0	0	0
Miscellaneous / Financing Reimbursements	59,849	448,426	448,426	230,896
Subtotal Other Revenues	73,862	473,426	463,426	245,896
Other Financing Sources	8,863,408	380,000	2,671,000	2,782,000
Total Revenues	\$13,056,174	\$4,974,326	\$7,437,426	\$7,566,196
Expenses				
Operating Expenses				
Annual Wastewater Treatment	\$1,892,490	\$2,100,000	\$2,100,000	\$2,184,000
CIP Payments - Fairfax County	1,582,000	0	2,391,000	2,382,000
Line Maintenance	942,953	927,338	903,543	1,086,496
Administrative & Engineering	939,839	826,160	818,080	618,383
Subtotal Operating Costs	5,357,282	3,853,498	6,212,623	6,270,879
Other Expenses				
Contingent Reserve	0	0	0	0
Debt Service	0	812,515	812,515	812,536
Subtotal Other Expenses	0	812,515	812,515	812,536
Total Expenses	\$5,357,282	\$4,666,013	\$7,025,138	\$7,083,415
Cash Balance - June 30	\$9,134,982	\$9,443,294	\$9,547,270	\$10,030,050
Total FTE	8	8.6	8.6	8.6

FY 2013 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Wastewater Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: County Wastewater Treatment Contract

BUDGET COMMENTS:

The O&M portion of the City-County contract for treatment is projected to increase in FY 2013 by \$84,000. The Capital Improvement portion of the contract is projected to decrease slightly (\$9,000).

With regard to capital assets, Fairfax County formally notified the City in 2009 that major plant upgrades are required due to an EPA mandated nitrogen reduction program and plant renovations. The City's share of the total capital cost when finalized will be 6.27%, which equates to the percentage of total capacity that the City owns at the Noman M. Cole Wastewater Treatment Plant. Figures provided by the County include \$10.7 million for nutrient removal improvements and up to a maximum of \$15 million for plant renovations. Renovation and construction costs are contingent upon the final scope of work and construction change orders over a projected 12 year period.

PROGRAM:

Wastewater originating in the City's Wastewater system is treated by Fairfax County in its Noman M. Cole, Jr. Pollution Control Plant by a contractual agreement that provides a reserved treatment capacity for the City.

GOAL:

To ensure effective Wastewater services to city customers and to make sure treatment capacity is available for future use by administering the sewage treatment contract with Fairfax County.

OBJECTIVES:

- To determine how much capacity is available for future use by measuring and monitoring city wastewater flows to Fairfax County's Noman M. Cole, Jr. Pollution Control Plant and make recommendations to purchase additional capacity if necessary.
- To monitor the city's payments to the county for treatment, capital improvement, operations and maintenance costs to ensure costs to city customers are competitive.

SERVICES AND PRODUCTS:

- Metering, treatment and disposal of wastewater for residents and businesses and to protect the Chesapeake Bay.

PERFORMANCE MEASURES:

Indicators	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimated	FY 2013 Projected
Output Measures				
Average daily flow (Millions Gallons Daily–MGD)	3.90	2.95	3.20	3.20
Outcome Measures				
% Utilization 4.2 MGD Avg Capacity	93%	70%	76%	76%

FY 2013 Adopted Budget - City of Fairfax, Virginia

Cost Center 435110: County Wastewater Treatment Contract

Title	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
County Charges - Operating	\$1,892,490	\$2,100,000	\$2,100,000	\$2,184,000
County Charges - Capital	1,582,000	0	2,391,000	2,382,000
Total	\$3,474,490	\$2,100,000	\$4,491,000	\$4,566,000

FUNCTION: Wastewater Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Wastewater Line Maintenance

BUDGET COMMENTS:

Overall funding for this cost center reflects an increase of 17.2% (\$159,158) from the prior fiscal year. Salary expenses increase by \$9,658 and include a 3.5% merit (step) increase for eligible employees and a market adjustment (COLA) of 1.0%.

Capital project funding for Wastewater rehabilitation projects accounts for 50.0% (\$530,000) of the funding for this cost center. These important activities are required to ensure capacity management and avoid wastewater overflows and backups. Funding is provided by lease financing approved in June 2008 and October 2010. A \$150,000 increase in overall capital project spending from FY 2012 is due to needed funding for Vehicle Replacement, Sewer Creek Crossing Rehabilitation, Sewage Pumping Station Rehabilitation and SCADA upgrades.

PROGRAM:

Wastewater conveyance pipelines and facilities are maintained and rehabilitated by the Support Services Division (WSSD) of the Utilities Department.

GOAL:

To provide reliable wastewater service by inspecting, cleaning, repairing and rehabilitating the city's wastewater pumping and conveyance network.

OBJECTIVES:

- To minimize the number of wastewater service line backups to less than two per fiscal year
- To minimize the number of wastewater overflows to less than two per fiscal year
- To reduce excessive inflow and infiltration (I/I) by ten percent from FY 2012
- To complete 95% of preventive maintenance activities scheduled

SERVICES AND PRODUCTS:

- Provide well-maintained and unobstructed wastewater conveyance pipelines
- Minimize backups and overflows
- Inspect wastewater pipelines for grease and blockage
- Respond to and resolve odor control issues

FY 2013 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Wastewater Services**DEPARTMENT: Utilities****DIVISION OR ACTIVITY: Wastewater Line Maintenance****PERFORMANCE MEASURES:**

Indicators	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimated	FY 2013 Projected
Output Measures				
Feet of pipe and related manholes rehabilitated	3,906	7,840	7,000	7,000
Percentage of manhole inventory inspected	95%	76%	80%	80%
Outcome Measures				
Number of Wastewater overflows	0	3	1	1
Number of Wastewater service line backups	1	0	0	0
Percent of preventive maintenance activities achieved	95%	90%	90%	90%

FY 2013 Adopted Budget - City of Fairfax, Virginia

Cost Center 435120: Wastewater Line Maintenance

Title	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Salaries	\$227,408	\$288,868	\$273,683	\$300,269
Fringe Benefits	103,539	131,900	131,900	130,157
Purchased Services	12,584	25,500	24,735	26,000
Other Charges	14,283	19,000	18,430	19,000
Supplies & Materials	34,991	82,070	74,795	81,070
Capital Outlay	550,148	380,000	380,000	530,000
Total	\$942,953	\$927,338	\$903,543	\$1,086,496

Personnel Classification	Grade	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Crew Supervisor	18	1.0	1.0	1.0	1.0
Utility Worker III	13	1.0	1.0	1.0	1.0
Utility Line Technician	12	0.0	1.0	1.0	1.0
Utility Technician	11	1.0	0.0	0.0	0.0
Utility Worker II	10	1.0	1.0	1.0	1.0
Utility Technician	9	0.0	1.0	1.0	1.0
Utility Worker I	9	1.0	1.0	1.0	1.0
Total FTE		5.0	6.0	6.0	6.0

FUNCTION: Wastewater Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Wastewater Administration

BUDGET COMMENTS:

This cost center reflects decreased funding of 25.2% (\$207,777) from the FY 2012 Adopted Budget. The Management Fee, made up of charges to the department for its share and use of City services, decreased by 41.1% (\$234,774) based on updated service allocations that resulted from an audit of the practice. Personnel expenses increase by \$6,497 and reflect a 3.5% merit (step) increase for eligible employees and a market adjustment (COLA) of 1.0%. Line item increases are seen in travel and training (\$500) to continue to build a versatile team and a succession plan. Funds provided for utility engineering activities are allotted at \$50,000 to address planning and development needs for utility management, such as hydraulic modeling and GIS mapping.

PROGRAM:

Wastewater service management, administration and engineering are provided by the Department of Utilities and include utility billing, customer service, customer issue resolution, general administration, and engineering review.

GOAL:

To provide effective leadership, managerial, administrative and engineering support to the Wastewater line maintenance division in order to enhance department performance. To strengthen environmental sustainability and meet the City's adopted goal of providing unsurpassed user-friendly, customer-focused business practices.

OBJECTIVES:

- To conduct efficient utility billing for wastewater customers
- To review site plans submitted by developers within 7 business days of submittal
- To manage new connections to the wastewater system
- To manage wastewater conveyance to Fairfax County
- To manage the wastewater Capital Improvement Program
- To have a strong safety program resulting in zero "lost time" accidents for the Department

SERVICES AND PRODUCTS:

- Leadership and management services for Wastewater Services Department
- Utility Billing
- Wastewater emergency response planning
- Wastewater conveyance and service connection Information Management
- Asset Management
- Records Management

FY 2013 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Wastewater Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Wastewater Administration

PERFORMANCE MEASURES:

Indicators	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
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Output Measures

Site Plans reviewed	*49	*40	33	3
Maintain accurate customer billing	99%	99%	99%	99%

Outcome Measures

Site plans reviewed within 7 business days (%)	*90%	*95%	92%	95%
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*Staff is estimating historical data for prior year performance measures.

FY 2013 Adopted Budget - City of Fairfax, Virginia

Cost Center 435130: Wastewater Administration & Engineering

Title	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Salaries	\$255,412	\$143,264	\$137,308	\$170,474
Fringe Benefits	84,495	57,600	54,800	36,887
Purchased Services	1,723	3,200	3,150	3,200
Internal Services (Mgt Fee & Motor Pool)	583,644	570,996	570,996	336,222
Other Charges	13,689	20,500	21,150	21,000
Supplies & Materials	876	600	676	600
Capital Outlay	0	30,000	30,000	50,000
Total	\$939,839	\$826,160	\$818,080	\$618,383

Personnel Classification	Grade	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Director of Utilities	29	0.5	0.1	0.1	0.1
Assistant Director of Utilities	24	0.5	0.5	0.5	0.5
Util. Constr. Projects Coord.	18	0.5	0.5	0.5	0.5
Administrative Assistant IV	14	0.5	0.5	0.5	0.5
Utility Billing Clerk	13	1.0	1.0	1.0	1.0
Total FTE		3.0	2.6	2.6	2.6

FUNCTION: Wastewater Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Wastewater Debt Service

BUDGET COMMENTS:

Wastewater conveyance system improvements as well as upgrades to Fairfax County's wastewater treatment plant, the Noman M. Cole, Jr. Pollution Control Facility are financed by lease financing bonds. The City owns treatment capacity at the plant of 4.2 million gallons per day and is responsible for its share of capital improvements and process upgrades.

PROGRAM:

General revenue bonds and resulting debt service are required, after City Council approval, for projects too large to be funded by current user fee revenues. Such capitalized projects will have a long-term public benefit and ensure adequate capacity for current and future customers.

GOAL:

To ensure an adequate and efficient wastewater conveyance system, that is financially secure, by paying principal and interest (debt service) for bond proceeds issued by the VRA to the City to pay for completed treatment improvements upgrades at Noman Cole, Jr. Pollution Control Plant and the City's pumping and collection service area.

OBJECTIVE:

- Retire Debt

SERVICES AND PRODUCTS:

- Payment of principal and interest on debt to bond holders.

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Cost Center 435710: Wastewater Debt Service

Title	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Debt Service	\$0	\$812,515	\$812,515	\$812,536
Total	\$0	\$812,515	\$812,515	\$812,536

FY 2013 Adopted Budget - City of Fairfax, Virginia

Wastewater Fund Expense Detail

Account		FY 2011 Actual	FY 2012 Budget	FY 2012 Estimated	FY 2013 Adopted
<u>County Wastewater Treatment Contract (435110)</u>					
530835	City-County Contracts - O&M	\$1,892,490	\$2,100,000	\$2,100,000	\$2,184,000
530835	City-County Contracts - CIP	1,582,000	0	2,391,000	2,382,000
	Subtotal	\$3,474,490	\$2,100,000	\$4,491,000	\$4,566,000
<u>Wastewater Line Maintenance (435120)</u>					
511105	Salaries - Full Time	\$192,124	\$258,852	\$244,183	\$266,644
511115	Salaries - Overtime	21,411	20,350	20,000	22,159
511130	On Call Pay	9,756	8,140	8,000	9,800
511135	Holiday Worked	0	1,526	1,500	1,666
511165	Year End Audit Adj	4,117	0	0	0
512110	Fringe Benefits	103,539	131,900	131,900	130,157
530113	Contract Services	1,056	2,500	1,985	2,500
530350	Building Maintenance	1,056	2,500	2,250	2,500
530351	Equipment Maintenance	10,472	20,500	20,500	21,000
550110	Utilities Expense	11,494	12,500	12,065	12,500
550430	Equipment Rental	1,554	5,000	4,865	5,000
550501	Travel & Training	1,235	1,000	1,000	1,000
550731	Employee Awards	0	500	500	500
560110	Office Supplies	1,584	1,500	1,515	1,500
560420	Operating Supplies	6,025	19,570	18,900	19,570
560430	Operating Materials	4,446	15,000	9,580	10,000
560501	Chemicals - Other	22,936	46,000	44,800	50,000
580105	Vehicle Replacement	217,044	0	0	30,000
580108	Other Mach & Equip Repl.	14,899	0	0	0
580410	Utility Engineering	2,830	0	0	0
580428	Sewage Pump Station Rehab	187,341	0	0	50,000
580429	Sewer Rehab at Creek Cross.	0	0	0	50,000
580441	Sewer Lining	96,028	250,000	250,000	250,000
580442	Manhole Rehab	32,006	30,000	30,000	50,000
580443	Sewer Trunk Line Rehab.	0	100,000	100,000	0
580444	SCADA	0	0	0	100,000
580449	Odor Control Program	0	0	0	0
	Subtotal	\$942,953	\$927,338	\$903,543	\$1,086,496

FY 2013 Adopted Budget - City of Fairfax, Virginia

Wastewater Fund Expense Detail Continued

Account		FY 2011 Actual	FY 2012 Budget	FY 2012 Estimated	FY 2013 Adopted
<u>Administration & Engineering (435130)</u>					
511105	Salaries - Full Time	\$250,574	\$143,264	\$137,308	\$169,944
511160	Incentive Awards	4,838	0	0	530
511198	Salary Vacancy Factor	0	0	0	0
512110	Fringe Benefits	84,495	57,600	54,800	36,887
530113	Contract Services	1,723	3,200	3,150	3,200
540060	Management Fee	583,644	570,996	570,996	336,222
550501	Travel & Training	395	2,500	2,500	3,000
550806	Other Services	13,294	18,000	18,650	18,000
560110	Office Supplies	876	600	676	600
580410	Utility Engineering	0	30,000	30,000	50,000
	Subtotal	\$939,839	\$826,160	\$818,080	\$618,383
<u>Allow for Doubtful Accts</u>					
550120	Utility Bad Debts	0	0	0	0
<u>Debt Service (435710)</u>					
590105	Principal	\$0	\$44,367	\$44,367	\$46,296
590110	Interest	0	768,148	768,148	766,241
	Subtotal	\$0	\$812,515	\$812,515	\$812,536
<u>Fund Transfers</u>					
591512	Transfer to Water Fund	0	0	0	0
Total Wastewater Fund		\$5,357,282	\$4,666,013	\$7,025,138	\$7,083,415

UTILITY FUNDS

Water Fund

FY 2013 Adopted Budget - City of Fairfax, Virginia

City of Fairfax, Virginia FY 2013 Water Fund Budget Summary				
	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Revenues				
Operating Revenues				
Residential Sales	\$2,545,130	\$2,642,700	\$2,672,387	\$2,840,903
Commercial Sales	3,571,562	4,209,900	4,050,000	4,211,250
Wholesale	1,830,801	1,100,000	1,000,000	1,075,000
Subtotal Operating Revenues	7,947,493	7,952,600	7,722,387	8,127,153
Availability Charges	609,647	387,500	362,500	415,625
Other Revenues				
Interest	11,178	25,000	15,000	15,000
Miscellaneous / Financing Reimbursements	584,188	430,051	430,051	228,700
Interfund Transfer	0	0	0	0
Subtotal Other Revenues	595,366	455,051	445,051	243,700
Other Financing Sources	9,548,031	8,600,000	8,440,000	18,750,000
Total Revenues	\$18,700,537	\$17,395,151	\$16,969,938	\$27,536,478
Expenses				
Operating & Capital				
Impoundment & Treatment	\$3,117,805	\$10,059,974	\$9,546,618	\$11,407,420
Water Line Maintenance	2,058,429	3,558,054	3,330,723	12,013,015
Administration & Engineering	2,008,660	2,129,900	2,124,229	2,269,897
Consumer Services	851,751	839,783	813,688	804,419
Subtotal Operating Costs	8,036,645	16,587,710	15,815,257	26,494,752
Other				
Debt Service	376,303	953,283	953,283	953,350
Transfers	0	0	0	0
Contingent Reserve	0	0	0	0
Subtotal Other	376,303	953,283	953,283	953,350
Total Expenses	\$8,412,948	\$17,540,994	\$16,768,541	\$27,448,102
Cash Balance - June 30	\$13,792,156	\$13,646,314	\$13,847,711	\$13,936,087
Total FTE	34	34.4	34.4	34.4

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Impoundment and Treatment

BUDGET COMMENTS:

Total expenses to support treatment operations and maintenance for this cost center are expected to increase by 13.9% (\$1.3 million). An expected increase in capital spending (\$1.5 million) is due to the cost of upgrading the City's water treatment plant and an upgrade to the reservoir dam. The upgrades will increase system reliability and will ensure treated water quality continues to meet increasingly strict legislated standards. Operating costs for chemicals are expected to decrease due to less consumption by Loudoun Water, the City's wholesale customer. It is expected that the cost of ferric sulfate, a coagulant, will be less expensive in FY 2013 due to lower costs of commodities used in its manufacture such as sulfuric acid. Labor costs should increase as a result of successful recruitment and promotions due to staff members receiving higher classifications of licensure needed to maintain plant operations in light of pending retirements. In addition, eligible employees will receive a 3.5% merit (step) increase and all employees will receive a market adjustment (COLA) of 1.0%.

PROGRAM:

The City owns and operates its own surface water supply and treatment system comprised of two reservoirs and a water treatment plant. A 130 million gallon reservoir with a water treatment plant, having a current hydraulic capacity of up to 18.0 million gallons per day production, is located on Goose Creek in western Loudoun County. The Beaverdam Creek Reservoir, a 1.4 billion gallon raw water supply, is located upstream of Goose Creek and is a side-storage reservoir receiving its water from Goose Creek during high flow periods. Water from Beaverdam Creek is released back to Goose Creek to supplement the stream during low stream flow periods.

GOAL:

To produce safe and reliable potable drinking water in full compliance with the federal Safe Drinking Water Act and all related regulations of the Commonwealth and the Environmental Protection Agency. To produce sufficient volumes of drinking water to satisfy customer needs. To finalize cost scenarios for future water treatment alternatives to enable the City Council to determine the most cost efficient and effective long term water treatment options.

OBJECTIVES:

- To operate and maintain the Goose Creek and the Beaverdam Creek raw water reservoirs, and the Goose Creek Water Treatment Plant 24 hours a day, 365 days a year, with the highest reliability resulting from mechanical and treatment redundancy and high organizational effectiveness.
- To obtain 100% compliance with all Commonwealth and federal drinking water standards and regulations.
- To comply with all Virginia Pollution Discharge Elimination System (VPDES) Permits standards for residual solids generated by the physical-chemical settling and filtrations processes.
- To complete 90% of preventative maintenance activities scheduled.

FY 2013 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Water Impoundment and Treatment

SERVICES AND PRODUCTS:

- Purified water of adequate and reliable volume and pressure

PERFORMANCE MEASURES:

Indicators	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimated	FY 2013 Projected
Output Measures				
Gallons of water produced (millions)	3.17	2.90	2.62	2.62
Maintain chemical optimization at the treatment plant to reach 1.00 turbidity units for settled water	100%	100%	100%	100%
Outcome Measures				
Compliance with drinking water standards	100%	100%	100%	100%
Compliance with VPDES* permit limits	100%	100%	100%	100%
% Reliability of Plant – 97%	98%	98%	91%	98%

* Virginia Pollutant Discharge Elimination System

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Cost Center 436110: Water Impoundment & Treatment

Title	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Salaries	\$1,094,526	\$1,172,974	\$966,807	\$1,252,320
Fringe Benefits	365,327	455,600	455,600	443,700
Purchased Services	223,661	432,800	351,886	348,100
Other Charges	568,813	575,800	593,650	601,800
Supplies & Materials	564,875	1,087,800	843,675	891,500
Capital Outlay	300,604	6,335,000	6,335,000	7,870,000
Total	\$3,117,805	\$10,059,974	\$9,546,618	\$11,407,420

Personnel Classification	Grade	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Division Superintendent	24	1.0	1.0	1.0	1.0
Program Manager	19	0.0	2.0	2.0	2.0
Shift Supervisor	19	0.0	5.0	5.0	5.0
Class 1 Operator	18	6.0	0.0	0.0	0.0
Class 2 Operator	16	0.0	4.0	4.0	4.0
Class 3 Operator	13	3.0	0.0	0.0	0.0
Water Plant Operator Trainee	11	3.0	1.0	1.0	1.0
Water Plant Mechanic	15	2.0	2.0	2.0	2.0
Water Plant Maintenance Supv'r.	17	0.0	1.0	1.0	1.0
Water Plant Assistant	8	1.0	0.0	0.0	0.0
Total FTE		16.0	16.0	16.0	16.0

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Water Line Maintenance

BUDGET COMMENTS:

The cost center increased significantly (237.6% or \$8.5 million) from the prior fiscal year due to the addition of several significant capital projects. Capital funding for water related projects is provided by lease financing, which was obtained in June 2008 and October 2010. Automated meter reading utilizing "Smart Meters" continues its fourth year and has been successful with all of the installation accomplished utilizing in-house resources. Water main replacement will increase this year. Rehabilitation activities of the City's 24-inch transmission main will also be added to in FY 2013 to improve its structural integrity and to ensure service reliability to City water customers. Personnel expenses include a 3.5% merit (step) increase for eligible employees and a market adjustment (COLA) of 1.0%.

PROGRAM:

The 24-inch water transmission line runs 22 miles along the abandoned Washington and Old Dominion Railroad right-of-way and parallels Hunter Mill Road. The transmission main has interconnections to service wholesale customers, Loudoun Water and Fairfax Water (primarily for Oakton). The City also directly serves, on a retail basis, areas of Fairfax County adjoining the City and all of George Mason University.

GOAL:

To provide safe and reliable drinking water through cleaning, repairing and monitoring the transmission main, neighborhood distribution system, and three storage tanks.

OBJECTIVES:

- To maintain average water service interruption to four hours or less due to water main breaks
- To complete 95% of preventive maintenance activities scheduled.

SERVICES AND PRODUCTS:

- Potable water supply
- Repair water main breaks
- Repair and replace fire hydrants for reliable fire suppression
- Provide maintenance support to Treatment and Impoundment Division
- Install or replace water mains
- Provide water storage for equalization and fire suppression

FY 2013 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Water Services**DEPARTMENT: Utilities****DIVISION OR ACTIVITY: Water Line Maintenance****PERFORMANCE MEASURES:**

	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimated	FY 2013 Projected
Indicators				
Output Measures				
Feet of pipe replaced	1,100	447	100	5760
Percentage of Fire Hydrants Exercised	95%	100%	100%	100%
Percentage of preventative maintenance activities achieved	90%	90%	90%	90%
Outcome Measures				
Average service interruption per water main break (hours)	4.00	2.75	3.00	3.00

FY 2013 Adopted Budget - City of Fairfax, Virginia

Cost Center 436120: Water Line Maintenance

Title	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Salaries	\$479,554	\$524,623	\$475,567	\$544,825
Fringe Benefits	159,859	170,600	170,600	159,359
Purchased Services	73,902	100,000	102,010	105,000
Other Charges	14,073	48,500	35,965	43,500
Supplies & Materials	182,805	279,331	271,581	280,331
Capital Outlay	1,148,236	2,435,000	2,275,000	10,880,000
Total	\$2,058,429	\$3,558,054	\$3,330,723	\$12,013,015

Personnel Classification	Grade	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Division Superintendent	25	1.0	1.0	1.0	1.0
Crew Supervisor	18	1.0	1.0	1.0	1.0
Utility Worker III	13	2.0	2.0	2.0	2.0
Equipment Operator	12	1.0	1.0	1.0	1.0
Truck Driver I	9	2.0	2.0	2.0	2.0
Utility Worker II	7	1.0	1.0	1.0	1.0
Total FTE		8.0	8.0	8.0	8.0

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Water Administration

BUDGET COMMENTS:

Compared to the FY 2012 Budget, the Administration cost center will increase by 6.6% (\$139,997) in FY 2013. The Management Fee, which notes charges to the department for its share and use of City services evaluated over the previous fiscal year, is expected to increase by 4.1% (\$55,905) due to an adjustment in the methodology of the fee's calculation. This adjustment is the result of the results of an outside auditor's evaluation of the practice. Personnel expenses increase \$16,712 from FY 2012. Compensation increases include a 3.5% merit (step) increase for eligible employees and a market adjustment (COLA) of 1.0%. Line item increases are seen in travel and training (\$500) to continue to build a versatile team and a succession plan to accommodate future retirements. Utility engineering costs are estimated to be \$120,000 for continued utility planning and development of human resources efforts, to include computer modeling and asset management improvements and software.

PROGRAM:

Water service management and engineering are provided by the Department of Utilities and includes project delivery, utility billing, customer service, general administration and engineering review.

GOAL:

To provide effective leadership, managerial, administrative and engineering support to the water impoundment, treatment and line maintenance divisions in order to enhance department performance. To strengthen environmental sustainability and meet the City's adopted goal of providing unsurpassed user-friendly, customer-focused business practices. To pursue the implementation of infrastructure projects throughout the City with specific emphasis on the adoption and implementation of the CIP. To finalize cost scenarios for future water treatment alternatives to enable the City Council to determine the most efficient and effective long term water treatment options.

OBJECTIVES:

- To conduct efficient utility billing for water customers
- To review site plan submitted by developers within 7 business days
- To manage new connections to the water system
- To manage wholesale water sales to Loudoun Water and Fairfax Water
- To manage the Water System Capital Improvement Program
- To have a strong safety program resulting zero "lost time" accidents
- To obtain 100% compliance with all Commonwealth and federal drinking water standards and regulations.

SERVICES AND PRODUCTS:

- Leadership and management services for water divisions
- Utility Billing
- Water emergency response planning
- Water System and service connection Information Management
- Asset Management
- Records Management

FY 2013 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Water Administration

PERFORMANCE MEASURES:

Indicators	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimate	FY 2013 Projected
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Output

Site Plans Reviewed	49	40	33	35
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Outcome

Site Plans reviewed within 7 business days	90%	95%	92%	95%
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FY 2013 Adopted Budget - City of Fairfax, Virginia

Cost Center 436130: Water Administration and Engineering

Title	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Salaries	\$311,685	\$326,414	\$319,339	\$344,084
Fringe Benefits	116,453	116,500	117,509	115,542
Purchased Services	13,086	12,000	12,205	12,000
Internal Services (Mgt Fee & Motor Pool)	1,510,613	1,565,686	1,565,686	1,636,771
Other Charges	32,317	33,000	33,240	35,000
Supplies & Materials	5,006	6,300	6,250	6,500
Capital Outlay	19,500	70,000	70,000	120,000
Total	\$2,008,660	\$2,129,900	\$2,124,229	\$2,269,897

Personnel Classification	Grade	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Director of Utilities	29	0.5	0.9	0.9	0.9
Assistant Director of Utilities	24	0.5	0.5	0.5	0.5
Util. Constr. Projects Coord.	18	0.5	0.5	0.5	0.5
Administrative Assistant IV	14	0.5	0.5	0.5	0.5
Utility Billing Clerk	12	1.0	1.0	1.0	1.0
Total FTE		3.0	3.4	3.4	3.4

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Consumer Services

BUDGET COMMENTS:

The decrease in this cost center of 4.2% (\$35,363) is due mainly to the success of the Automated Meter Reading Program. Materials needed for water service line replacement activities and meter replacement parts are fairly minor in nature and will decrease by \$30,000 from the prior fiscal year. Personnel expenses provide for a 3.5% merit (step) increase for eligible employees and a market adjustment (COLA) of 1.0%.

PROGRAM:

The water system is a consumer-oriented enterprise fund providing services to retail and wholesale water customers, including Miss Utility to locate water and wastewater assets for construction; installation of service lines at the main; new and replacement water meters; meter reading and testing; and water quality monitoring. The division reads all residential meters quarterly and commercial meters monthly.

GOAL:

To satisfy customer needs by monitoring water quality in the distribution system, replacing defective meters, reading meters for billing, and responding to MISS UTILITY requests and customer inquiries.

OBJECTIVES:

- To replace meters that have registered one million gallons or more
- To replace defective meters
- To answer requests for new meters
- To respond to customer issues within 24 hours
- To process 100% of MISS UTILITY calls within 48 hours

SERVICES AND PRODUCTS:

- Read water meters
- Water service line installation
- Install new water meters
- Replace old or defective meters
- Leak determination
- Customer field services
- Water quality monitoring and sampling

FY 2013 Adopted Budget - City of Fairfax, Virginia

FUNCTION: Water Services**DEPARTMENT: Utilities****DIVISION OR ACTIVITY: Consumer Services****PERFORMANCE MEASURES:**

INDICATORS	FY 2010 Actual	FY 2011 Actual	FY 2012 Estimated	FY 2013 Projected
Output Measures				
Percent MISS UTILITY requests processed within 48 hours	100%	100%	100%	100%
Percent of required drinking water samples collected by the 5 th of each month, average	95%	95%	95%	98%
Avoid “no shows” for the year for MISS UTILITY*	100%	100%	100%	100%
Outcome Measures				
Maintain “Zero Liability” for MISS UTILITY calls	0	0	0	0

FY 2013 Adopted Budget - City of Fairfax, Virginia

Cost Center 436140: Consumer Services

Title	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Salaries	\$504,401	\$489,723	\$472,928	\$494,645
Fringe Benefits	170,023	170,200	160,900	159,914
Purchased Services	0	6,000	6,000	6,000
Other Charges	0	6,000	6,000	6,000
Supplies & Materials	177,328	167,860	167,860	137,860
Capital Outlay	0	0	0	0
Total	\$851,751	\$839,783	\$813,688	\$804,419

Personnel Classification	Grade	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Crew Supervisor	18	1.0	1.0	1.0	1.0
Meter Reading Supervisor	16	1.0	1.0	1.0	1.0
Line Locator	13	1.0	1.0	1.0	1.0
Utility Worker III	13	0.0	0.0	0.0	0.0
Equipment Operator I	12	1.0	1.0	1.0	1.0
Meter Reader	9	2.0	2.0	2.0	2.0
Truck Driver I	9	0.0	0.0	0.0	0.0
Utility Worker II	7	1.0	1.0	1.0	1.0
Total FTE		7.0	7.0	7.0	7.0

FUNCTION: Water Services

DEPARTMENT: Utilities

DIVISION OR ACTIVITY: Water Debt Service

BUDGET COMMENTS:

Debt service is currently related to the June 2008 and November 2010 bond issuances. This debt service is related to distribution system improvements as well as upgrades to the City's water treatment plant, the Goose Creek Water Treatment Plant and two dams in Ashburn, Virginia. Current bond proceeds from the Virginia Resources Authority (VRA) will include 18 months of capitalized interest.

PROGRAM:

General revenue bonds and resulting debt service payments are required, after City Council approval, for projects too large to be funded by current user fee revenues. Such capitalized projects will have a long-term public benefit and ensure adequate treatment, storage and delivery capacity for current and future customers.

GOAL:

To ensure an adequate and efficient potable water system, that is financially secure, by paying principal and interest (debt service) for bond proceeds issued by the VRA to the City to pay for completed treatment, water storage and distribution piping improvements in the City's service area.

OBJECTIVE:

- Retire Debt

SERVICES AND PRODUCTS:

- Payment of principal and interest on debt to bond holders.

FY 2013 Adopted Budget - City of Fairfax, Virginia

Cost Center 436711: Water Debt Service				
Title	FY 2011 <u>Actual</u>	FY 2012 <u>Budget</u>	FY 2012 <u>Estimated</u>	FY 2013 <u>Adopted</u>
Debt Service	\$376,303	\$953,283	\$953,283	\$953,350
Total	\$376,303	\$953,283	\$953,283	\$953,350

Lease Financing for Utility Improvements
Principal 7-15; Interest 7-15 & 1-15

Payments During Year

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2013	\$192,000	\$184,513	\$376,513
2014	200,000	176,257	376,257
2015	209,000	167,657	376,657
2016	218,000	158,670	376,670
2017	227,000	149,296	376,296
2018	237,000	139,535	376,535
2019	247,000	129,344	376,344
2020	258,000	118,723	376,723
2021	269,000	107,629	376,629
2022	280,000	96,062	376,062
2023	292,000	84,022	376,022
2024	305,000	71,466	376,466
2025	318,000	58,351	376,351
2026	332,000	44,677	376,677
2027	346,000	30,401	376,401
2028	361,000	15,523	376,523
Total	\$4,291,000	\$1,732,126	\$6,023,126

Purpose: Financing for capital improvements to the Water and Wastewater systems.

Principal Amount: \$4,821,000

Date of Issue: June 2008

Collateral / Property Interest: Lyndhurst Water Tank, sewage pumping station, sewage pumps, wet well, and control system.

Lease Financing for Utility Improvements

Principal 10-1; Interest 10-1 & 4-1

<u>Year Ending</u> <u>June 30</u>	Payments During Year		<u>Total</u> <u>Requirement</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$0	\$1,389,374	\$1,389,374
2014	0	1,389,374	1,389,374
2015	485,000	1,379,189	1,864,189
2016	510,000	1,356,494	1,866,494
2017	535,000	1,331,949	1,866,949
2018	565,000	1,305,224	1,870,224
2019	595,000	1,275,064	1,870,064
2020	625,000	1,243,344	1,868,344
2021	660,000	1,209,934	1,869,934
2022	685,000	1,176,552	1,861,552
2023	705,000	1,142,904	1,847,904
2024	730,000	1,106,770	1,836,770
2025	755,000	1,068,073	1,823,073
2026	785,000	1,026,710	1,811,710
2027	815,000	980,721	1,795,721
2028	850,000	930,437	1,780,437
2029	880,000	878,189	1,758,189
2030	920,000	823,829	1,743,829
2031	955,000	767,197	1,722,197
2032	995,000	707,797	1,702,797
2033	1,035,000	645,474	1,680,474
2034	1,080,000	580,542	1,660,542
2035	1,125,000	512,852	1,637,852
2036	1,170,000	442,392	1,612,392
2037	1,220,000	369,012	1,589,012
2038	1,270,000	292,574	1,562,574
2039	1,320,000	213,066	1,533,066
2040	1,375,000	130,325	1,505,325
2041	1,435,000	44,053	1,479,053
Total	\$24,080,000	\$25,719,408	\$49,799,408

Purpose: Financing capital improvements to the Water and Wastewater systems.

Principal Amount: \$24,080,000

Date of Issue: November 2010

Collateral / Property Interest: Water Treatment Plant

FY 2013 Adopted Budget - City of Fairfax, Virginia

Water Fund Expense Detail

Account		FY 2011 Actual	FY 2012 Budget	FY 2012 Estimated	FY 2013 Adopted
Impoundment & Treatment (436110)					
511105	Salaries - Full Time	\$877,600	\$997,964	\$791,797	\$1,054,355
511115	Salaries - Overtime	130,581	81,400	81,400	80,294
511125	Temporary Help	0	25,438	25,438	10,196
511130	On Call Pay	48,654	45,788	45,788	82,649
511135	Holiday Worked	27,987	22,385	22,385	23,553
511160	Incentive Awards	0	0	0	1,273
511165	Year End Audit Adj	9,704	0	0	0
512110	Fringe Benefits	365,327	455,600	455,600	443,700
530113	Contract Services	137,289	224,000	221,350	224,000
530124	Dam Safety Recertification	500	0	0	300
530125	Lab Testing Fees	10,730	15,800	13,866	14,800
530350	Building Maintenance	14,856	29,000	15,670	7,000
530351	Equipment Maintenance	36,089	142,000	79,000	82,000
530815	Health Dept Program Fee	24,197	22,000	22,000	20,000
550110	Utilities Expense	562,917	550,000	567,850	583,000
550430	Equipment Rental	0	18,000	18,000	11,000
550501	Travel & Training	5,731	6,000	6,000	6,000
550820	Dues & Subscriptions	165	1,800	1,800	1,800
560110	Office Supplies	1,853	700	650	400
560351	Repair Parts	28,022	40,000	42,500	60,000
560352	Fuels & Lubricants	0	700	700	700
560359	Change in Inventory	(16,289)	0	0	0
560420	Operating Supplies	38,718	40,000	39,685	40,000
560421	Pipe & Accessories	2,287	0	0	0
560422	Construction Material	17,605	80,000	58,520	60,000
560430	Operating Material	1,200	0	0	0
560435	Soil & Mulch	0	300	300	300
560501	Chemicals - Other	24,480	60,100	60,100	42,100
560551	Chlorine	35,026	42,000	42,000	42,000
560552	Lime	20,233	40,000	24,800	30,000
560553	Carbon	20,946	50,000	50,000	50,000
560554	Fluoride	33,038	28,000	34,800	36,000
560555	Caustic Soda	141,735	220,000	189,620	200,000
560556	Corrosion Inhibitor	0	0	0	0
560557	Ferric	194,591	450,000	268,000	300,000
560559	Potassium Perm.	21,429	36,000	32,000	30,000
580105	Vehicle Replacement	0	0	0	35,000
580108	Other Mach & Equip Replace	44,361	0	0	0
580412	Goose Creek Reservoir and Dam	0	0	0	0
580412	Beaverdam Creek Raw Water Pump St	0	0	0	0
580414	Beaver Creek Dam	0	0	0	0
580208	New Other Mach & Equip	0	0	0	0
580330	Plant Upgrade Construction Program	0	6,300,000	6,300,000	7,835,000
580410	Utility Engineering	0	35,000	35,000	0
580412	Goose Creek Raw Water Pumping Stat	0	0	0	0
580414	Beaver Dam Facilities	89,659	0	0	0
580420	Solids Handling	10,000	0	0	0
580445	Chemical Facilities Upgrade	156,584	0	0	0
580446	High Service Pump Station	0	0	0	0
Subtotal		\$3,117,805	\$10,059,974	\$9,546,618	\$11,407,420

FY 2013 Adopted Budget - City of Fairfax, Virginia

Water Fund Expense Detail Continued

Account		FY 2011 Actual	FY 2012 Budget	FY 2012 Estimated	FY 2013 Adopted
Line Maintenance (436120)					
511105	Salaries - Full Time	\$408,239	\$438,644	\$389,588	\$446,583
511115	Salaries - Overtime	54,841	61,050	61,050	66,357
511125	Temporary Help	0	0	0	5,096
511130	On Call Pay	15,921	23,403	23,403	25,152
511135	Holiday Worked	433	1,526	1,526	1,637
511160	Incentive Awards	118	0	0	0
511165	Year end Audit Adj	0	0	0	0
511180	Salary Reimbursement	0	0	0	0
512110	Fringe Benefits	159,859	170,600	170,600	159,359
530113	Contract Services	62,080	80,000	82,450	85,000
530351	Equipment Maintenance	11,822	20,000	19,560	20,000
550110	Utilities Expense	4,572	7,000	6,600	7,000
550430	Equipment Rental	3,565	5,000	3,900	5,000
550501	Travel & Training	1,351	5,500	4,965	5,500
550731	Employee Awards	145	1,000	1,000	1,000
550806	Other Services	4,441	30,000	19,500	25,000
550820	Dues & Subscriptions	0	0	0	0
560110	Office Supplies	104	750	750	750
560120	Small Equipment	33,433	40,000	40,000	41,000
560420	Operating Supplies	15,068	29,000	22,600	29,000
560421	Pipe & Accessories	57,741	92,500	92,500	92,500
560422	Construction Material	36,876	47,238	47,238	47,238
560423	Asphalt	29,823	45,843	45,843	45,843
560424	Concrete	1,088	4,000	4,000	4,000
560430	Operating Material	8,673	20,000	18,650	20,000
580105	Vehicle Replacement	300	100,000	100,000	30,000
580108	Other Mach & Equip Replace	37	0	0	0
580208	New Other Machine & Equipment	0	0	0	0
580410	Utility Engineering	55,508	0	0	0
580422	Asphalt Patching	53,701	170,000	170,000	0
580423	Water Supply Reliability Improvement	128,895	0	0	7,750,000
580423	24" Trans. Main Rehab.	0	275,000	275,000	350,000
580424	Distribution System Repair & Repl.	1,002	1,000,000	875,000	1,600,000
580426	Tank Maintenance	203,274	160,000	160,000	270,000
580444	SCADA	0	0	0	0
580447	Automated Meter Reading	699,266	680,000	645,000	680,000
580448	GIS	6,254	50,000	50,000	200,000
	Subtotal	\$2,058,429	\$3,558,054	\$3,330,723	\$12,013,015

FY 2013 Adopted Budget - City of Fairfax, Virginia

Water Fund Expense Detail Continued

Account		FY 2011 Actual	FY 2012 Budget	FY 2012 Estimated	FY 2013 Adopted
<u>Administration (436130)</u>					
511105	Salaries - Full Time	311,361	326,414	318,839	343,764
511115	Salaries - Overtime	244	0	0	320
511160	Incentive Awards	80	0	500	0
511198	Salary Vacancy Factor	0	0	0	0
512110	Fringe Benefits	116,453	116,500	117,509	115,542
530113	Contract Services	12,349	10,000	10,210	10,000
530521	Printing & Duplicating Expense	0	500	500	500
530620	Advertising	737	1,500	1,495	1,500
540060	Management Fee	1,322,168	1,375,357	1,375,357	1,431,262
540102	Motor Pool Charges	188,445	190,329	190,329	205,509
550501	Travel & Training	6,378	5,500	5,620	6,000
550731	Employee Awards	0	0	0	500
550806	Other Services	25,694	27,000	27,120	28,000
550820	Dues & Subscriptions	245	500	500	500
560110	Office Supplies	5,006	4,500	4,500	4,700
560120	Small Equipment	0	1,800	1,750	1,800
580410	Utility Engineering	19,500	70,000	70,000	120,000
	Subtotal	2,008,660	2,129,900	2,124,229	2,269,897
<u>Consumer Services (436140)</u>					
511105	Salaries - Full Time	394,113	412,189	398,728	410,565
511115	Salaries - Overtime	54,065	40,700	40,000	43,643
511125	Temporary Help	36,206	16,280	14,000	17,234
511130	On Call Pay	19,417	16,280	16,000	18,096
511135	Holiday Worked	363	4,274	4,200	4,577
511160	Incentive Awards	237	0	0	530
512110	Fringe Benefits	170,023	170,200	160,900	159,914
530351	Equipment Maintenance	0	6,000	6,000	6,000
550430	Equipment Rental	0	4,000	4,000	4,000
550501	Travel & Training	0	2,000	2,000	2,000
550806	Other Services	0	0	0	0
560110	Office Supplies	1,000	500	500	500
560120	Small Equipment	2,727	2,000	2,000	2,000
560410	New Water Meters & Parts	80,739	75,000	75,000	60,000
560411	Replacement Meters & Parts	83,294	75,000	75,000	60,000
560420	Operating Supplies	8,532	12,360	12,360	12,360
560421	Pipe & Accessories	1,013	3,000	3,000	3,000
560430	Operating Material	24	0	0	-
	Subtotal	851,751	839,783	813,688	804,419
<u>Water Debt Service (436711)</u>					
530113	Contract Services				
590105	Principal	169,000	139,633	139,633	145,704
590110	Interest	207,303	813,650	813,650	807,646
590120	Bond Issuance Costs	0	0	0	0
	Subtotal	376,303	953,283	953,283	953,350
Total Water Fund		8,412,948	17,540,994	16,768,541	27,448,102

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